Supreme Court, U.S.
FILED
MAY 22 1986
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No. 85-1701

IN THE

Supreme Court of the United States

OCTOBER TERM, 1985

ELEANOR POWELL,
Petitioner,

v.

CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA, CONNECTICUT GENERAL LIFE INSURANCE COMPANY, and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether a participant in a self-funded employee benefit plan, who has received all of the benefits to which she is entitled, may recover extracontractual or punitive damages for breach of fiduciary duty in an action brought under the Employee Retirement Income Security Act.

2. Whether state law causes of action alleging mishandling of a claim for benefits under a self-funded employee benefit plan "relate to" the plan and are therefore preempted by the Employee Retirement Income Security Act.

3. Whether, by merely providing some administrative services to a self-funded employee benefit plan, an insurance company thereby engages in "the business of insurance."

LIST OF PARENTS, SUBSIDIARIES, AND AFFILIATES OF RESPONDENTS

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BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

TO THE HONORABLE CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Respondents The Chesapeake and Potomac Telephone Company of Virginia, Connecticut General Life Insurance Company, and American Telephone and Telegraph Company respectfully request that this Court deny the Petition for Writ of Certiorari seeking review of the Fourth Circuit's Opinion in this case. That Opinion is reported at 780 F.2d 419 (1985).[1]

[1] The Opinion attached as Appendix A to petitioner's brief is incorrect. A portion of the Opinion, contained at p. 16 of petitioner's Appendix A, was revised by the Court before the Opinion was published. The revised Opinion is set forth as Appendix A to Respondents' Brief.

STATEMENT OF THE CASE

Petitioner's claims arise under a self-funded long-term disability benefit plan ("the Plan") sponsored by The Chesapeake and Potomac Telephone Company of Virginia ("C&P") for its non-management employees. (Appendix, p.6).[2] C&P is the Plan administrator and provides all of the funding for benefits under the Plan. (App., p. 21). There is no insurance policy or insurance coverage. All benefits are paid from a fund maintained by C&P for that purpose. (App., p. 21). Pursuant to an Administrative Services Only Agreement ("the ASO Agreement"), C&P designated Connecticut General Life Insurance Company ("Connecticut General") as claims administrator to process claims made by C&P employees under the Plan. (App., pp. 122-130).

Petitioner was paid long-term disability benefits for every month from February, 1978 through May, 1983. (App. pp. 133-134). The payments ceased in June of 1983 because Petitioner received a substantial retroactive award of Social Security disability benefits. (App., pp. 135-139). As a result of this award, under the terms of the Plan, Petitioner had no entitlement to any further benefits and, in fact, had been substantially overpaid. (App., pp. 140-146). Petitioner filed an action in the United States District Court for the Eastern District of Virginia after Respondents requested that she refund the overpayment.

The Amended Complaint invoked federal question jurisdiction, asserting that Petitioner's claims arose under the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1001, *et seq.* The Amended Complaint specifically alleged that, by mishandling Petitioner's benefit claim, Respondents breached their fiduciary duties to her under ERISA Sections 404(a)(1), 101 and 503.[3] The Amended Complaint did not refer to ERISA's civil enforcement provision, Section 502,[4] nor did it invoke any particular subsection thereof, as the basis for her claims.

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[2] All references to "Appendix" in this brief are references to the Joint Appendix filed by the parties with the Fourth Circuit as the record in the case. All references to the Appendix will be abbreviated as "App."

[3] 29 U.S.C. §§ 1104(a)(1), 1021, and 1133 (1982).

[4] 29 U.S.C. § 1132 (1982).

The Amended Complaint also set forth four claims under Virginia law: intentional infliction of emotional distress, violation of Virginia's Unfair Trade Practices Act, breach of an implied duty of fair dealing, and breach of contract. In her prayer, Petitioner sought compensatory and punitive damages. She did not seek any statutory penalties or equitable relief under ERISA.

It should be noted that Petitioner conceded in her Brief to the Fourth Circuit that her claim for breach of contract was preempted by ERISA.[5] Accordingly, that question is not properly before this Court.

REASONS FOR DENYING THE WRIT

1. There is No Conflict Among the Circuits Concerning the Availability To a Participant of Extracontractual and Punitive Damages Under ERISA.

All of the circuits that have considered whether punitive damages are available to a plan participant for breach of fiduciary duty under ERISA agree that no such damages are available. Moreover, following this Court's decision in *Massachusetts Mutual Life Ins. Co. v. Russell*, 105 S. Ct. 3085 (1985), there is not even a conflict among the district courts.

Contrary to Petitioner's assertions, the Ninth Circuit and the Eighth Circuit are not in conflict. In *Dependahl v. Falstaff Brewing Corp.*, 653 F.2d 1208 (8th Cir. 1981), *cert. denied*, 454 U.S. 968 (1981), the Eighth Circuit expessly determined that Congress did not intend punitive damages to be available under ERISA. *Id.* at 1216. The Ninth Circuit's determination in *Russell v. Massachusetts Mutual Life Ins. Co.*, 722 F.2d 482 (9th Cir. 1983) that such damages were recoverable was explicitly reversed by this Court in *Massachusetts Mutual.*[6] Following this Court's decision in *Massachusetts Mutual*, the

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[5] Brief of Appellant at p. 23.

[6] The other Ninth Circuit case cited by Petitioner, *Winterrowd v. David Freedman & Co.*, 724 F.2d 823 (9th Cir. 1984), was decided by the Ninth

(footnote continues)

Ninth Circuit reversed its earlier position and has fallen into line with the Fourth and Eighth Circuits' view that extra-contractual and punitive damages are not available under ERISA. In *Hancock v. Montgomery Ward Long Term Disability Trust,* No. 84-4201 (9th Cir. Apr. 17, 1986), the Ninth Circuit affirmed the denial by a district court of a request by a plaintiff for additional discovery to support a claim for extracontractual damages for breach of fiduciary duty under ERISA. Acknowledging this Court's ruling in *Massachusetts Mutual,* the Ninth Circuit noted that no such damages are available to a participant for breach of fiduciary duty under Section 502(a)(2),[7] and then also found, in accord with the Fourth Circuit in this case, that no such damages are available under Section 502(a)(3)(B).[8] Accordingly, there is no conflict at all among the circuit courts as to the availability of extracontractual or punitive damages to a participant under an ERISA plan who asserts claims based on the mishandling of benefit claims.

None of the district court opinions cited by Petitioner to support her claim of conflict is applicable here. Both *Miner v. International Typographical Union, etc.,* 601 F. Supp. 1390 (D. Colo. 1985), and *Gilliken v. Hughes,* 609 F. Supp. 178 (D. Del. 1985), rely on the Ninth Circuit's opinion in *Russell,* subse-

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(footnote continued)

Circuit after its decision in *Russell,* but prior to this Court's reversal. Relying on *Russell,* the *Winterrowd* Court held that an ERISA *fiduciary* could recover punitive damages *on behalf of the plan* from an employer who willfully, wantonly, and maliciously withheld its contributions to a multi-employer plan. *Id.* at 826. Thus, both because of its reliance on the *Russell* opinion that was subsequently reversed, and because the recovery was to the plan and not to participants, *Winterrowd* is inapplicable to the question presented to this Court.

[7] 29 U.S.C. § 1132(a)(2) (1982).

[8] 29 U.S.C. § 1132(a)(3)(B) (1982).

quently reversed by this Court, in finding punitive damages available for breach of fiduciary duty. In *Bittner v. Sadoff & Rudoy Industries,* 490 F. Supp. 534 (E.D. Wis. 1980), an action for retaliatory discharge under Section 510,[9] the district court made an equivocal comment that punitive damages might, under some circumstances, be available under Section 510. In reversing another part of the court's ultimate ruling, however, the Seventh Circuit expressed a strong disinclination toward the award of such damages. *See Bittner v. Sadoff & Rudoy Industries,* 728 F.2d 820, 825-26 (7th Cir. 1984). All of the remaining district court cases cited by Petitioner decline to award extracontractual or punitive damages, consistent with this Court's ruling in *Massachusetts Mutual.*

2. Petitioner Has Not Raised Any Important Question of Federal Law Concerning Recovery By a Participant of Extracontractual or Punitive Damages That Has Not Already Been Settled By This Court.

Petitioner's argument that she should be permitted to recover extracontractual and punitive damages under Section 502(a)(3)(B), which permits recovery of "appropriate equitable relief" to redress violations of ERISA, fails to acknowledge that the Fourth Circuit's opinion in this case is fully consistent with the law as enunciated by this and other courts.

a. This Court Has Recently Held That Extracontractual and Punitive Damages Are Not Recoverable By a Participant for Breach of Fiduciary Duty.

The question of recoverability of extracontractual and punitive damages for breach of fiduciary duty was recently resolved by this Court in *Massachusetts Mutual Life Ins. Co. v. Russell,* 105 S. Ct. 3085 (1985). Section 409(a) of ERISA [10] explicitly sets forth the parameters of liability for breach of fiduciary duty, including any breach of the responsibilities,

[9] 29 U.S.C. § 1140 (1982).

[10] 29 U.S.C. § 1109(a) (1982).

obligations, or duties imposed upon fiduciaries by this subchapter . . . ." In *Massachusetss Mutual,* this Court carefully considered the question whether a successful claim made by a participant under Section 502(a)(2) for liability based on Section 409(a), which permits certain relief to the plan, including "such other equitable or remedial relief as the court may deem appropriate," could include recovery of extracontractual or punitive damages. This Court concluded that it could not. *Id.* at 3094. Consequently, regardless of the statutory section allegedly violated by an ERISA fiduciary, recovery by a participant of extracontractual or punitive damages under Section 409(a) has been held by this Court to be impermissible.

The analysis used by this Court in *Massachusetts Mutual* in concluding that no extracontractual or punitive damages are recoverable by a participant under Section 409(a) is applicable with equal, if not greater, force to Section 502(a)(3)(B). In fact, the language of Section 502(a)(3)(B), which limits recovery to "other appropriate equitable relief", is *narrower* than that of Section 502(a)(2) which, through its reference to Section 409(a), provides for "equitable or remedial relief." It would be incongruous to permit a greater degree of recovery to redress the same conduct simply because the claim is brought under Section 502(a)(3)(B) rather than 502(a)(2), particularly where the language of Section 502(a)(2) is narrower.

b. Extracontractual and Punitive Damages Are Not Recoverable As "Equitable" Relief.

Petitioner argues, however, that the language "other appropriate equitable relief" in Section 502(a)(3)(B) should be construed to permit recovery of punitive damages.[11] The Fourth Circuit correctly decided that it should not.

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[11] Petitioner's reference at p. 16 to a portion of the legislative history stating that ERISA was intended to provide "the full range of legal and equitable remedies available in both state and federal courts" is misleading. That statement had its origins in an earlier version of ERISA which provided a civil action for "legal or equitable" relief to redress breaches of fiduciary duty. *See* S.4, 93d Cong., 1st Sess., § 603 (1973), *reprinted in* Legislative History of the Employee Retirement Income Security Act of 1974, at 3816 (1974). Congress, however, deleted all reference to "legal relief" in passing the far more circumscribed civil enforcement provisions found in ERISA Section 502.

In drafting ERISA, Congress expressly included in the remedial scheme various punitive measures against errant fiduciaries, including removal under Section 409(a), civil penalties under Section 502(c), and criminal sanctions under Sections 501 and 511.[12] Notably absent, however, is any express provision for recovery by a participant of punitive damages. No remedies not expressly included should be implied.

The language of Section 502(a)(3)(B), "other appropriate equitable relief (i) to redress such violations [of ERISA]," cannot reasonably be construed to provide for such damages. Petitioner relies on the suggestion in Justice Brennan's concurring opinion in *Massachusetts Mutual* that lower courts should look to the common law of trusts to determine the extent of the recoverability of damages under Section 502(a)(3)(B). The common law of trusts, however, does not provide for punitive damages. Remedies for breach of trust have always been within the exclusive province of equity courts. *See, e.g.*, 3 A.W. Scott, *The Law of Trusts* § 197, at 1625 (3d ed. 1967), *Restatement (Second) of Trusts*, § 197 (1959), and punitive damages are not an equitable remedy, but a traditional form of legal relief offered only in courts of law. *See Curtis v. Loether*, 415 U.S. 189, 196 (1974), *Walker v. Ford Motor Co.*, 684 F.2d 1355, 1364 (11th Cir. 1982). The Fourth Circuit therefore correctly concluded that the remedies generally afforded beneficiaries by the common law of trusts, although they may include the recovery of money damages, do not include the extra-contractual or punitive damages sought by Petitioner.[13]

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[12] 29 U.S.C. §§ 1109(a), 1132(c), 1131, and 1141 (1982).

[13] The Fourth Circuit cited the following authorities in support of this conclusion:

> "See Restatement (Second) of Trusts § 205 (1959) (liability for breach of trust is limited to (a) loss in value of trust estate; (b) profits accrued by trustee; or (c) profits lost to estate); G. Bogert & G. Bogert, The Law of Trusts & Trustees, § 862 (2d ed. 1982) (trustee is usually charged only with the loss in value of the trust estate although exemplary damages are occasionally awarded in a few states where malice or fraud is involved); A. Scott, The Law of Trusts, § 198.1 (1967) ('where the trustee is not under an immediate and unconditional duty to pay money to the beneficiary, the beneficiary cannot maintain an action at law against him')." 780 F.2d at 424.

The legislative history of ERISA indicates that Congress considered the remedies traditionally afforded under common law, and modified them to fit the unique circumstances of employee benefit plans. *See, e.g.,* H.R. Rep. No. 533, 93d Cong., 1st Sess. 11 (1973), *reprinted in* 1974 U.S. Code Cong. & Ad. News 4639, 4649 ("The fiduciary responsibility section, in essence, codifies and makes applicable to . . . fiduciaries *certain* principles developed in the evolution of the law of trusts"); *Id.* at 13, *reprinted in* 1974 U.S. Code Cong. & Ad. News at 4651: ("The principles of fiduciary conduct are adopted from existing trust law, but with *modifications appropriate for* employee benefit plans.") (emphasis added).[14] Thus, to the extent the common law of trusts may be a guide, Congress has already incorporated it, appropriately modified, into ERISA's remedial scheme.

As this Court stated in *Massachusetts Mutual,* the "six carefully-integrated civil enforcement provisions" of Section 502 "provide strong evidence that Congress did *not* intend to authorize other remedies that it simply forgot to incorporate expressly." 105 S. Ct. at 3093 (emphasis added). Indeed, this Court noted that there is a "stark absence" in both ERISA and its legislative history of evidence that Congress intended punitive damages to be recoverable under ERISA. *Id.* On this point, it cited pertinent language from *California v. Sierra Club,* 451 U.S. 287, 297 (1981): "The federal judiciary will not engraft a remedy on a statute, no matter how salutary, that Congress did not intend to provide." 105 S. Ct. at 3092. *See also Northwest Airlines, Inc. v. Transport Workers,* 451 U.S. 77, 94 (1981); *Cort v. Ash,* 422 U.S. 66, 78 (1975). Where Congress has intended to allow punitive damages, it has enacted provisions expressly authorizing punitive damages recovery. *See, e.g.,* Securities Exchange Act of 1934, Section 21, 15 U.S.C. § 78u(h) (1982); Consumer Credit Protection Act, Sections 616, 706, 15 U.S.C. §§ 1681n, 1691e(b) (1982); Omnibus Crime Control & Safe Streets Act of 1968, Section 82, 18 U.S.C. § 2520 (1982).

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[14] Quoted at n.6 of Justice Brennan's Concurring Opinion, *Massachusetts Mutual,* 105 S. Ct. at 3096.

The question of what may be deemed "equitable" relief has also already been exhaustively addressed by the circuit courts in connection with virtually identical language contained in Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000(e)-5(g) (1982), providing for "any other equitable relief as the court deems appropriate." The circuit courts of appeals are unanimous in their finding that "equitable relief" under Title VII does not include recovery of emotional distress or punitive damages. *E.g., Walker v. Ford Motor Co.*, 684 F.2d 1355 (11th Cir. 1982); *Shah v. Mt. Zion Hospital & Medical Center*, 642 F.2d 268 (9th Cir. 1981); *De Grace v. Rumsfeld*, 614 F.2d 796 (1st Cir. 1980); *Harrington v. Vandalia-Butler Board of Education*, 585 F.2d 192 (6th Cir. 1978), *cert. denied*, 441 U.S. 932 (1979); *Richerson v. Jones*, 551 F.2d 918 (3d Cir. 1977); *Pearson v. Western Electric Co.*, 542 F.2d 1150 (10th Cir. 1976).

Finally, various lower courts have examined the question and have concluded with virtual unanimity that Section 502(a)(3) permits no such recovery. *Foltz v. U.S. News & World Report, Inc.*, 627 F. Supp. 1143, 1166 (D.D.C. 1986) (recovery under § 502(a)(3) measured by contract, rather than tort, principles); *Cowden v. Montgomery County Soc. for Cancer Control*, 591 F. Supp. 740, 752-53 (S.D. Ohio 1984); *Meyer v. Phillip Morris, Inc.*, 575 F. Supp. 1232, 1235-36 (E.D. Mo. 1983); *Whitaker v. Texaco, Inc.*, 566 F. Supp. 745, 750-52 (N.D. Ga. 1983); *Wardle v. Central States, Southeast and Southwest Areas Pension Fund*, No. 77-144-C, 239 Pension Rep. (BNA) pp. D-1-2 (S.D. Ind. 1979), *aff'd on other grounds*, 627 F.2d 820 (7th Cir. 1980), *cert. denied*, 449 U.S. 1112 (1981); *Bell v. Southern Oregon Log Scaling & Grading Bureau*, 1 Empl. Bens. Cas. (BNA) 1439 (D. Or. 1976); *Bone and Bone v. Association Management Services, Inc.*, No. J85-0408(B) (S.D. Miss. April 3, 1986); *Wilson, et al. v. Allegheny International, Inc.*, No. 83 C-9254 (N.D. Ill. Nov. 12, 1985).[15]

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[15] Other lower courts have held that no extracontractual or punitive damages are available under ERISA's civil enforcement sections generally. *See, e.g., Dependahl v. Falstaff Brewing Corp.*, 653 F.2d 1208 (8th Cir. 1981),

(footnote continues)

3. There is no Conflict Among the Circuits Concerning ERISA Preemption of Petitioner's Claims; the Issue Has Already Been Resolved by This Court.

The Fourth Circuit's holding that Petitioner's state law claims are preempted by ERISA is fully consistent with the mandates of this Court as well as with the rulings of all other circuits that have reached the issue.

In *Shaw v. Delta Airlines, Inc.*, 463 U.S. 85 (1983), this Court specifically addressed the extent of ERISA preemption of state law claims, and held that the term "relate to" in ERISA's preemption section, Section 514(a),[16] was intended by Congress in its broadest sense, encompassing laws of general application as well as laws specifically designed to regulate employee benefit plans. *Id.* at 96-97. This Court stated that a state law "relates to" an employee benefit plan "if it has a connection with or reference to such a plan." *Id. See also Metropolitan Life Ins. Co. v. Massachusetts,* 105 S. Ct. 2380, 2389 (1985).

Congress has made the processing of a claim for benefits an integral part of an ERISA plan's administration, and it has comprehensively regulated claims handling to the exclusion of state law. ERISA Sections 503, 404(a)(1), 514(a);[17] 29 C.F.R. § 2560.503-1(g)(1), (2), .503-1(h)(1)(ii) (1985). Petitioner's state law claims against C&P as plan administrator

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(footnote continued)

cert. denied, 454 U.S. 968 (1981) (*dictum*) *Zittrouer v. UARCO, Inc.*, 582 F. Supp. 1471, 1478 (N.D. Ga. 1984); *Diano v. Central States, Southeast & Southwest Areas Health, Welfare & Pension Funds,* 551 F. Supp. 861, 863 (N.D. Ohio 1982); *Maxfield v. Central States, Southeast & Southwest Areas Health, Welfare & Pension Funds,* 559 F. Supp. 158, 160 (N.D. Ill. 1982); *Calhoun v. Falstaff Brewing Corp.*, 478 F. Supp. 357, 359 (E.D. Mo. 1979); *Hurn v. Retirement Fund Trust of Plumbing, etc.*, 424 F. Supp. 80, 82 (C.D. Cal. 1976); *Sheahan v. Leahy,* 591 F. Supp. 629 (E.D. Mo. 1984); *Ziskind v. Retail Clerks Int'l Assoc.*, 3 Empl. Bens. Cas. (BNA) 1012, 1015-16 (E.D. Cal. 1982); *Jackson v. Occidental Life Ins.*, C-80-4288 SW (N.D. Cal. 1981).

[16] 29 U.S.C. § 1144(a) (1982).

[17] 29 U.S.C. §§ 1133, 1104(a)(1), 1144(a) (1982).

and Connecticut General as claims administrator plainly relate to claims handling and the actual payment of benefits, and directly encroach on the administration and integrity of the Plan itself. Thus a cause of action alleging the mishandling of a claim for benefits by the administrator of an ERISA plan obviously has a "connection with or reference to such a plan." As the Fourth Circuit noted in its opinion:

> A contrary rule would undermine ERISA's important policy of promoting uniformity in employee benefit laws, reflected in the legislative history, in the Act's declaration of policy, and in the preemption clause itself, by creating the 'potential . . . for conflicting employer obligations and variable standards of recovery.'" 780 F.2d at 422.

The federal circuit courts have ruled consistently in favor of preemption of such claims, and there is no conflict about the meaning of *Shaw* in this regard. The Ninth Circuit, in *Russell v. Massachusetts Mutual Life Ins. Co.*, 722 F.2d 482 (9th Cir. 1983), *rev'd on other grounds, Massachusetts Mutual Life Ins. Co. v. Russell,* 105 S. Ct. 3085 (1985), *vacated on other grounds,* 778 F.2d 542 (9th Cir. 1985), in *Ellenberg v. Brockway, Inc.*, 763 F.2d 1091, 1095 (9th Cir. 1985), and more recently in *Moore v. Provident Life and Accident Ins. Co.*, Nos. 85-1887, 85-1957 (9th Cir. April 17, 1986), has held that all causes of action alleging mishandling of benefit claims under an ERISA-governed plan "relate to" such plans and are therefore preempted by ERISA, which occupies the field. The Eighth Circuit, in *Dependahl v. Falstaff Brewing Corp.*, 653 F.2d 1208 (8th Cir. 1981), *cert. denied,* 454 U.S. 968 (1981), has similarly held that ERISA occupies the field and preempts state law claims for fraud and tortious interference with contract. Other courts have likewise concluded that ERISA preempts state common law claims filed against self-funded plans. *See, e.g., Gilbert v. Burlington Industries,* 765 F.2d 320 (2d Cir. 1985); *Authier v. Ginsberg,* 757 F.2d 796 (6th Cir. 1985), *cert. denied,* 106 S. Ct. 208 (1985); *Ogden v. Michigan Bell Telephone Co.*, 571 F. Supp. 520 (E.D. Mich. 1983); *Hayden v. Texas-U.S. Chemical Co.*, 557 F. Supp. 382 (E.D. Tex. 1983).

4. There is No Important Question Pertaining to the Scope of "The Business of Insurance" That Has Not Already Been Resolved By This Court.

Petitioner's claims are not saved from preemption by the ERISA "saving" clause, Section 514(b)(2)(A),[18] which exempts from preemption state laws regulating insurance. As this Court noted in *Metropolitan Life Ins. Co. v. Massachusetts*, 105 S. Ct. 2380 (1985), which involved insured employee benefit plans, the purpose of this "saving" clause is to preserve the reservation by Congress in the McCarran-Ferguson Act, 15 U.S.C. §§ 1011-1015 (1982), of the regulation of the "business of insurance" to the states, *Id.* at 2392, n.21.[19]

In *Metropolitan Life*, this Court reviewed the elements which, in its view, make up "the business of insurance," quoting *Union Labor Life Ins. Co. v. Pireno*, 458 U.S. 119, 129 (1982), as follows:

> *first*, whether the practice has the effect of transferring or spreading a policyholder's risk; *second*, whether the practice is an integral part of the policy relationship between the insurer and the insured; and *third*, whether the practice is limited to entities within the insurance *industry*.

105 S.Ct. at 2391 (emphasis in original). Using these criteria, this Court held in *Group Life & Health Ins. Co. v. Royal Drug Co.*, 440 U.S. 205 (1979), *reh'g denied*, 441 U.S. 917 (1979), that when an insurance company enters into an agreement which does not involve the spreading and underwriting of a policyholder's risk, it is not engaged in the business of insurance.

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[18] 29 U.S.C. § 1144(b)(2)(A) (1982).

[19] To the extent that sections of ERISA "specifically relate" to the business of insurance, including the ERISA fiduciary responsibility sections, those sections control over state laws regulating insurance. *See Hewlett-Packard Co. v. Barnes*, 571 F.2d 502, 505 (9th Cir. 1978), *cert. denied*, 439 U.S. 831 (1978).

In *SEC v. National Securities, Inc.*, 393 U.S. 453, 459-60 (1969), this Court stated:

> The statute did not purport to make the states supreme in regulating all the activities of insurance *companies;* its language refers not to the persons or companies who are subject to state regulation, but to laws "regulating the *business* of insurance." Insurance companies may do many things which are subject to paramount federal regulations; only when they are engaged in the "business of insurance" does the statute apply.

In *Metropolitan Life,* 105 S. Ct. at 2393, this Court expressly distinguished *self-funded* plans, such as that involved in this case, from plans in which an insurance policy funds the Plan, stating that self-funded plans are not open to any state regulation:

> We are aware that our decision results in a distinction between insured and uninsured plans, leaving the former open to indirect regulation while the latter are not.

Thus, in the present case, where Connecticut General is merely performing administrative duties delegated by the plan sponsor and there is no contract of insurance, the Fourth Circuit correctly held that Connecticut General is not engaged in the "business of insurance." [20] The Ninth Circuit reached exactly the same conclusion in *Moore v. Provident Life and Accident Ins. Co.*, Nos. 85-1887, 85-1957 (9th Cir. April 7, 1986), holding that "purely administrative claims processing functions" engaged in by an insurance company serving as administrative overseer to the self-funded portion of an ERISA plan "have nothing to do with the spreading or underwriting of a

[20] To the extent any analogy could be drawn between an employee benefit plan and a group insurance policy or insurance company, ERISA's "deemer" clause, Section 514(b)(2)(B), 29 U.S.C. § 1144(b)(2)(B) (1982), explicitly dispenses with this argument, stating: "Neither an employee benefit plan . . . , nor any trust established under such a plan, shall be deemed to be an insurance company or other insurer . . . or to be engaged in the business of insurance . . . for purposes of any law of any State purporting to regulate insurance companies [or] insurance contracts. . . ."

policyholder's risk," and therefore do not render the insurance company engaged in the "business of insurance" within the contemplation of the "saving" clause.

CONCLUSION

For the foregoing reasons, this Court should deny the Petition for a Writ of Certiorari to review the Opinion of the Court of Appeals for the Fourth Circuit.

Respectfully submitted,

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May 20, 1986

APPENDIX A

IN THE

United States Court of Appeals

FOR THE FOURTH CIRCUIT

No. 85-1072

ELEANOR POWELL,

Appellant,

versus

CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA; CONNECTICUT GENERAL LIFE INSURANCE COMPANY, A CIGNA COMPANY, AND AMERICAN TELEPHONE AND TELEGRAPH, INC., A NEW YORK CORPORATION,

Appellees.

and

AT&T COMMUNICATIONS OF VIRGINIA, INC.,

Defendant.

Appeal from the United States District Court for the Eastern District of Virginia, at Alexandria. Albert V. Bryan, Jr., Chief District Judge. (C/A 84-554)

Argued November 8, 1985. Decided December 18, 1985

Before WIDENER and PHILLIPS, Circuit Judges, and HILTON, United States District Judge for the Eastern District of Virginia, sitting by designation.

Diane H. Mahshie (James R. Tate; Tate and Bywater, Ltd. on brief) for Appellant; Jeffrey Anne Tatum (Adams, Duque & Hazeltine on brief); Stephen M. Colangelo (Boothe, Prichard & Dudley; Rodney H. Glover; Thomas & Fiske on brief) for Appellees.

REVISED OPINION
NEW PAGE 12

PHILLIPS, Circuit Judge:

Eleanor Powell, a former employee of C&P Telephone Company of Virginia (C&P) and a beneficiary under its self-funded employee benefit plan (the Plan), sued that company, its former parent, AT&T, and Connecticut General Life Insurance Company (Connecticut General), the Plan's administrator, for the breach of various fiduciary duties under the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. § 1001 *et seq.*, in the handling of her claim for disability benefits.[1] Although she had received all of the benefits to which she was entitled, Powell sought $5 million in extracontractual and punitive damages under ERISA, and also sought to invoke the court's pendent jurisdiction over Virginia state law claims for intentional infliction of emotional distress, breach of an implied covenant of good faith and fair dealing, breach of contract, and violation of Virginia's Unfair Trade Practices Act, Va. Code § 38.1-49, *et seq.* (1950), based on the same alleged misconduct as gave rise to her federal cause of action under ERISA. The district court granted the defendants' motions for summary judgment and dismissed all of Powell's claims. We agree with the district court that Powell's state law claims are preempted by ERISA, and that extracontractual and punitive damages are not, in these circumstances, available under ERISA, and we therefore affirm.

I

Powell received disability benefits under the Plan from February 1978 through May 1983. She complains of constant harassment by C&P and Connecticut General throughout this period, causing her and her son emotional distress and precipitating her divorce. According to Powell, the appellees repeatedly demanded unnecessary medical reports, refused to

[1] Specifically, the complaint alleges that C&P and Connecticut General failed to discharge their fiduciary duties solely in the interest of Plan beneficiaries pursuant to 29 U.S.C. § 1104(a)(1); breached their duties of disclosure under 29 U.S.C. § 1021; and failed to provide Powell with adequate written notice of termination, as required by 29 U.S.C. § 1133(1).

provide her attorney with copies of her claim file, and unjustifiably withheld benefit payments on two occasions.

Powell's benefits were terminated in June 1983, after she received a substantial Social Security award, which represented monthly benefits retroactive to July 1977. When combined with the Social Security award, Powell's Plan benefits exceeded 50% of her base pay prior to disability, the benefits ceiling under the Plan. Powell refused C&P's request to refund the overpayment.

Thereafter, Powell filed this action and the defendants counterclaimed for a refund of benefits. The counterclaim was nonsuited after Powell's complaint was dismissed, and this appeal followed.

II

A. Preemption of State Law Claims.

With certain stated exceptions,[2] ERISA preempts "any and all State laws insofar as they may now or hereafter relate to any employee benefit plan" governed by ERISA. 29 U.S.C. § 1144(a). "State law" is defined to include "all laws, decisions, rules, regulations, or other State action having the effect of law, of any State." 29 U.S.C. § 1144(c)(1).

In *Shaw v. Delta Air Lines, Inc.*, 463 U.S. 85, 96-97 (1983), the Supreme Court, citing legislative history and referring to the language and structure of the statute, construed the preemption clause in its broadest sense, and held that "[a] law 'relates to' an employee benefit plan . . . if it has a connection with or reference to such a plan." Thus, the scope of § 1144(a) is not limited to state laws "specifically designed to affect employee benefit plans." *Id. at 98.*

The state laws at issue in *Shaw,* the New York Human Rights Law (prohibiting discrimination in employment, including discrimination in employee benefit plans on the basis of pregnancy), and New York's Disability Benefits Law (requir-

[2] The most important of these exceptions allow continued operation of state insurance, banking, and securities laws, 29 U.S.C. § 1144(b)(2)(A), and generally applicable criminal laws, 29 U.S.C. § 1144(b)(4).

ing employers to pay sick-leave benefits to employees unable to work due to pregnancy), "clearly 'relate to' " employee benefit plans. *Id.* at 97. The Court observed, however, that some state actions may affect employee benefits plans in "too tenuous, remote, or peripheral a manner to warrant a finding that the law 'relates to' the plan." *Id.* at 100, n.21. This category includes, for example, state garnishment of a spouse's pension income to enforce alimony and support orders. *Id., citing American Telephone and Telegraph Co. v. Merry,* 592 F.2d 118 (2d Cir. 1979).

In this case, none of the state laws under which Powell claims relief have any intrinsic connection with employee benefit plans. The question is therefore whether state law *claims* which relate to the administration of an ERISA-governed plan, but which arise under general state *laws* which themselves have no impact on employee benefit plans, are within the scope of ERISA preemption. Given the "unparalleled breadth" of the preemption clause, *Holland v. Burlington Industries, Inc.,* No. 84-2241(L), slip op. at 17 (4th Cir. Sept. 3, 1985), and the broad remedial policy of ERISA, we hold that state laws, insofar as they are invoked by beneficiaries claiming relief for injuries arising out of the administration of employee benefit plans, "relate to" such plans and, absent an applicable exemption, are preempted by ERISA.

The preemption clause effectuates a broad remedial policy to protect the interests of participants in ERISA-governed plans and their beneficiaries "by establishing standards of conduct, responsibility, and obligation for fiduciaries of employee benefit plans, and by providing for appropriate remedies, sanctions, and ready access to the Federal courts." 29 U.S.C. § 1001(b). Thus, ERISA imposes extensive duties on plan administrators, 29 U.S.C. §§ 1101-1114, and provides a comprehensive scheme for the criminal and civil enforcement of fiduciary obligations, 29 U.S.C. §§ 1131-1132.[3] To the extent that ERISA redresses the mishandling of benefits claims or other maladministration

[3] Under 29 U.S.C. § 1132, entitled "Civil enforcement," a plan participant or beneficiary may sue to recover benefits due under the plan, to enforce his rights under the plan, or to clarify his rights to future benefits under the

(footnote continues)

of employee benefit plans, it preempts analogous causes of action, whatever their form or label under state law. *See Dependahl v. Falstaff Brewing Corp.*, 653 F.2d 1208, 1215-16 (8th Cir. 1981) ("If Congress has already provided a remedy [under ERISA], . . . the state law is preempted, regardless of whether or not a conflict exists which involves a direct interference by the state law with [ERISA]."). A contrary rule would undermine ERISA's important policy of promoting uniformity in employee benefit laws, reflected in the legislative history, in the Act's declaration of policy, and in the preemption clause itself, by creating the "potential . . . for conflicting employer obligations and variable standards of recovery." *Holland,* No. 84-2241(L), slip op. at 17-18. Accordingly, the state law claims in this case, all of which relate exclusively to alleged breaches of fiduciary responsibility in the administration of C&P's employee benefit plan, "relate to" the plan and, unless an exception applies, are preempted, leaving Powell to such remedies as are available under ERISA.

This analysis comports with several recent Ninth Circuit decisions in which that court concluded that state claims based on the maladministration of employee benefit plans are preempted by ERISA, even where the state statutory and common law under which the claims arise bears no inherent connection with ERISA-governed plans. *See Ellenburg v. Brockway, Inc.*,

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(footnote continued)

plan, § 1132(a)(1)(B); or if the plan administrator fails or refuses to comply with a request for certain information, a beneficiary may recover, subject to the court's discretion, up to $100 a day from such failure or refusal, § 1132(a)(1)(A); or a participant, beneficiary, or fiduciary may bring an action to enjoin administrative acts which violate ERISA or the terms of the plan or to obtain "other appropriate equitable relief" to redress such violations or to enforce provisions of ERISA or the terms of the plan. § 1132(a)(3). A plan may recover from its administrator any losses resulting from the breach of fiduciary duties and may seek "such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary," § 1109(a). Any person who willfully violates the provisions of ERISA may be fined, upon conviction, up to $5,000, or imprisoned up to one year, or both, and in the case of violations by other than an individual, a fine of up to $100,000 may be imposed, § 1131. For other remedies, including those available to the Secretary, see §§ 1132(a)(4), (a)(5), (a)(6), (b); for availability of attorney's fees and costs see § 1132(g).

763 F.2d 1091, 1095 (9th Cir. 1985); *Scott v. Gulf Oil Corp.*, 754 F.2d 1499, 1504-05 (9th Cir. 1985); *Blau v. Del Monte Corp.*, 748 F.2d 1348, 1356 (9th Cir. 1984); *Russell v. Massachusetts Mutual Life Insurance Co.*, 722 F.2d 482, 487-88 (9th Cir. 1983); *rev'd on other grounds*, ____U.S.____, 53 U.S.L.W. 4938 (U.S. June 27, 1985). *See also Gilbert v. Burlington Industries, Inc.*, 765 F.2d 320, 327 (2d Cir. 1985).

Powell contends that even if her state law claims are within the scope of ERISA's preemption provision, her claims for breach of an implied covenant of good faith and fair dealing and for violations of the Virginia Unfair Trade Practices Act, both of which purport to impose duties on insurers,[4] are nevertheless rescued from preemption by an "insurance saving clause," which provides that ERISA does not "exempt or relieve any person from any law of any State which regulates insurance. . . ." 29 U.S.C. § 1144(b)(2)(A). We disagree. The insurance saving clause is limited by the so-called "deemer clause," which provides that no employee benefit plan "shall be deemed to be an insurance company or other insurer . . . or to be engaged in the business of insurance . . . for purposes of any law of any state purporting to regulate insurance companies [or] insurance contracts . . . ." 29 U.S.C. § 1144(b)(2)(B). Thus, C&P cannot be deemed to be an insurer or otherwise engaged in the business of insurance by virtue of its sponsorship of the Plan and Powell's claims against C&P under state laws regulating insurance are not exempted from preemption by the insurance saving clause.

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[4] The Virginia Unfair Trade Practices Act constitutes Article 6 of Virginia's Insurance Code and declares as its purpose the regulation of trade practices in the business of insurance. Specifically, Powell alleges in her complaint that the defendants violated § 38.1-52.1 which provides that "[n]o person shall make, issue, [or] circulate . . . any estimate, illustration, circular, statement, sales presentation, omission, or comparison which (1) Misrepresents the benefits, advantages, conditions or terms of any insurance policy."

The implied covenant of good faith arises, in certain circumstances, from the "relationship of confidence and trust . . . between the insurer and the insured which imposes upon the insurer the duty to deal fairly with the insured in the handling and disposition of any claim covered by the policy." *Aetna Casualty & Surety Co. v. Price*, 206 Va. 749, 761, 146 S.E.2d 220, 227-28 (1966).

Since Connecticut General is not an "employee benefit plan," the deemer clause is inapplicable to it. *See* 29 U.S.C. § 1144(b)(2)(B). Powell contends that as an insurance company, Connecticut General is subject to state laws regulating insurance, including the implied covenant of good faith and fair dealing and the Virginia Unfair Trade Practices Act, and that these claims are therefore saved from preemption by the insurance saving clause, § 1144(b)(2)(A).

We read the insurance saving clause, however, to exempt from ERISA's preemptive effect only those state insurance laws that regulate the "business of insurance." Regulation of the "business of insurance" is expressly reserved to the states by the McCarran-Ferguson Act, 15 U.S.C. §§ 1011-1115,[5] and ERISA's insurance saving clause, which is similarly worded and which reflects the concerns of McCarran-Ferguson, is most reasonably construed to cover the same category of state insurance regulation. *See Metropolitan Life Insurance Co. v. Massachusetts,* U.S. , 53 U.S.L.W. 4616, 4621 n.21 (U.S. June 3, 1985) ("The ERISA saving clause . . . appears to have been designed to preserve the McCarran-Ferguson Act's reservation of the business of insurance to the States.").

The primary features of an insurance contract are the spreading and underwriting of a policyholder's risk. *Group Life & Health Insurance Co. v. Royal Drug Co.,* 440 U.S. 205, 211 (1979). In enacting the McCarran-Ferguson Act, "Congress was concerned with the type of state regulation that centers around the contract of insurance . . . ." *SEC v. National Securities, Inc.,* 393 U.S. 453, 460 (1969). The Act did not, however, "purport to make the States supreme in regulating all the activities of insurance *companies*; . . . only when they are engaged in the 'business of insurance' does the statute apply." *Id.* at 459-60.

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[5] The McCarran-Ferguson Act provides, in pertinent part, that "No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance . . . ." 15 U.S.C. § 1012(b).

In its role as Plan administrator, Connecticut General neither spreads nor underwrites insurance risks; there is no insurance policy or contract. Rather, Connecticut General provides certain purely administrative claims processing functions pursuant to an administrative services agreement with the Plan's sponsor, C&P.[6] Thus, notwithstanding that Virginia's implied covenant of fair dealing and Unfair Trade Practices Act may in some circumstances reach even the purely administrative activities of insurers,[7] such regulation would not bear upon the "business of insurance" within contemplation of ERISA's insurance saving clause and thus is not saved from preemption by ERISA.

B. Availability of Extracontractual and Punitive Damages under ERISA

Having received all of the benefits to which she is entitled, Powell seeks extracontractual and punitive relief under ERISA to compensate her for various alleged physical ailments, the decline of her marriage, her son's emotional distress, and the deterioration of her mental health, on account of the mishandling by C&P and Connecticut General of her disability claim. Powell contends that such extraordinary relief is available under 29 U.S.C. § 1132(a)(3) which authorizes a civil action by a plan beneficiary "(A) to enjoin any act or practice which violates any provision of [ERISA] or the terms of the plan, or (B) *to obtain other appropriate equitable relief,* (i) to redress such violations or (ii) to enforce any provisions of [ERISA] or terms of the plan." (Emphasis added.) In

[6] Under the administrative services agreement, Connecticut General agreed, among other things, to provide standard claim forms for the administration of the plan; to determine the propriety of claims in accordance with C&P's claims administration procedures and practices; to issue checks, drawn against C&P's funds, in payment of claims; to prepare monthly and annual reports; and to review each claim that has been denied for compliance with ERISA when the claimant requests such review.

[7] We express no opinion whether such private causes of action, in another context, would be cognizable under Virginia law. It is worth noting, however, that the Virginia Unfair Trade Practices Act also purports to regulate "the business of insurance in accordance with the intent of Congress" as expressed in the McCarran-Ferguson Act. Va. Code § 38.1-49 (1950).

Massachusetts Mutual Life Insurance Co. v. Russell, ____U.S. ____, 53 U.S.L.W. 4938 (U.S. June 27, 1985), the Supreme Court held that extracontractual and punitive damages are not available to a participant or beneficiary under § 1132(a)(2), which authorizes a civil action by the Secretary or by a plan participant, beneficiary, or fiduciary "for appropriate relief under § 1109," which relates to liability for breach of fiduciary duty. The question whether or to what extent extracontractual and punitive relief is authorized by way of the catchall provision in § 1132(a)(3) for "other appropriate equitable relief" was expressly reserved. *Id.* at 4940 n.5.

Powell urges that notwithstanding the use of the word "equitable" in § 1132(a)(3) and its implications for excluding the damage remedies she seeks, ERISA incorporates the fiduciary standards and principles of trust law, the violation of which, although ordinarily redressed in equity, may nevertheless give rise to monetary damages in appropriate cases. The legislative history supports Powell's theory that Congress intended to import into ERISA principles of trust law, *see* H.R. Rep. No. 533, 93d Cong., 1st Sess. 11 (1973), as does the language of 29 U.S.C. § 1104(a), which expressly incorporates a general "prudent man" standard of care for ERISA fiduciaries.

Powell's argument is self-defeating, however, because even assuming that "other appropriate equitable relief" may, in certain circumstances, include extracontractual or punitive damages, such relief is generally not available in an action by a beneficiary against a trustee for breach of trust. *See* Restatement (Second) of Trusts § 205 (1959) (liability for breach of trust is limited to (a) loss in value of trust estate; (b) profits accrued by trustee; or (c) profits lost to estate); G. Bogert & G. Bogert, the Law of Trusts & Trustees, § 862 (2d ed. 1982) (trustee is usually charged only with the loss in value of the trust estate although exemplary damages are occasionally awarded in a few states where malice or fraud is involved); A. Scott, The Law of Trusts, § 198.1 (1967) ("where the trustee is not under an immediate and unconditional duty to pay money to the beneficiary, the beneficiary cannot maintain an action at

law against him."). Thus, the provision for "other appropriate equitable relief," whatever it embraces, cannot be held to authorize extracontractual or punitive damages for the breach of a plan administrator's fiduciary duties under ERISA.[8]

Accordingly, the district court properly granted the defendants' motions for summary judgment as to Powell's claims for extracontractual and punitive damages under ERISA, and her complaint was properly dismissed.

AFFIRMED.

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[8] We observe that the maladministration alleged by Powell does not rise to a "willful" violation of ERISA for purposes of the Act's criminal enforcement provision, 29 U.S.C. § 1131.

APPENDIX B

THE CHESAPEAKE & POTOMAC TELEPHONE COMPANY OF VIRGINIA

The following are parent companies, subsidiaries or affiliates of The Chesapeake and Potomac Telephone Company of Virginia:

Bell Atlantic Corporation
Bell Atlantic Corporate Services, Inc.
Bell Atlantic Management Services, Inc.
The Chesapeake and Potomac Telephone Company of Maryland
The Chesapeake and Potomac Telephone Company of Virginia
The Chesapeake and Potomac Telephone Company of West Virginia
The Bell Telephone Company of Pennsylvania
The Diamond State Telephone Company
New Jersey Bell Telephone Company
Bell Atlantic Mobile Systems, Inc.
Bell Atlantic Ventures, Inc.
Bell Atlantic Financial Services, Inc.
Bell Atlanticom Systems, Inc.
Bell Atlantic Leasing Company
Bell Atlantic Mobile Systems of Allentown, Inc.
Bell Atlantic Mobile Systems of Atlantic City, Inc.
Bell Atlantic Mobile Systems of Baltimore, Inc.
Bell Atlantic Mobile Systems of Harrisburg, Inc.
Bell Atlantic Mobile Systems of Norfolk, Inc.
Bell Atlantic Mobile Systems of Northern New Jersey, Inc.
Bell Atlantic Mobile Systems of Philadelphia, Inc.

Bell Atlantic Mobile Systems of Pittsburgh, Inc.
Bell Atlantic Mobile Systems of Richmond, Inc.
Bell Atlantic Mobile Systems of Scranton, Inc.
Bell Atlantic Mobile Systems of Washington, Inc.
Bell Atlantic Mobile Systems of Wilmington, Inc.

APPENDIX C

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

The following are parent companies, subsidiaries or affiliates of Connecticut General Life Insurance Company:

CIGNA Syndicate Managers, Inc.
"Gulfman" Gulf Management Co., Sal
Aetna Fire Underwriters Insurance Company
Aetna Insurance Company
Aetna Insurance Company of the Midwest
Aetna Reinsurance Company
AFIA
AFIA (Aetna) Corporation, Limited
AFIA (Ina) Corporation, Limited
AFIA Chilena Seguros Limitada
AFIA Finance Corporation
AFIA Insurance Co., Inc.
AFIA Insurance Company S.A.—N.V.
AFIA Ireland Limited
AFIA Life Insurance Company S.A.—N.V.
AFIA Life Insurance Company S.A.N.V.
AFIA S.A.R.L.
AFIA Societa a Responsabilita Limitada Italiana
AFIA Thai Company Ltd.
AFIA Venezolana C.A.
AFIA Worldwide Life Insurance Company
AFIA, S.A.
AFIC Limited
AFIC Limited
AGRI Insurance Underwriters Inc.
Agricultural Realty Operating Company
Al Shams Insurance & Reinsurance Co. S.A.L.
Alameda Associates
Alaska Pacific Assurance Company
Alexandria Country Club Apartments
ALIC, Incorporated
All Funds Management Corp.

Allegiance Insurance Company
Allegiance Life Insurance Company
Alliance of Hispanic Americans
Allied Insurance Company
American Adjustment Company, Inc.
American Lloyds Insurance Company
ANF Partners #1
Arizona Health Plan, Inc.
Arizona Healthplan, Inc.
Asian Oceanic Holdings Limited
Association & Consumer Marketing Services Corporation
Assurex Development Corporation
Atlantic Employers Insurance Company
Atnalta Properties, Inc.
Atrium—Encino, Ltd.
Automatic Business Centers, Inc.
Bafco Reinsurance Co., Ltd.
Bankers Standard Fire and Marine Company
Bankers Standard Insurance Company
Barkers Landing #3 Joint Venture
Blackthorns Insurance Serv. Ltd.
Bloomington Hotel Investors
Blue Lagoon Associates I
Blue Lagoon Associates II
Blue Lagoon Associates III
Blyth Eastman Dillon & Co.
Blyth Eastman Dillon & Co. International Holdings Limited
Blyth Eastman Dillon & Co. International Limited (DE)
Blyth Eastman Dillon Capital Markets Incorporated
Boston Compania Argentina De Seguros, S.A.
Brasilia Seguradora S/A
Breckenridge Park Associates
Brock Acceptance Corporation
Brock Lebaron Associates Joint Venture
Brock-Interbay General Partnership
Brock-Metropolitan Associates
M.J. Brock & Sons, Inc.
Brookhollow Joint Venture
Cable Software Development, Inc.

Cableguard, Inc.
California Seven Associates Limited Partnership
California Seven Associates Limited Partnership
California Union Insurance Company
Calisar Associates
CCA Holdings, Inc.
Centerquest Ltd.
Centrum South Partners
Century Indemnity Company
CG Equity Ventures, Inc.
CG Fund, Inc.
CG Income Fund, Inc.
CG Medical Programs, Inc.
CG Money Market Fund, Inc.
CG Municipal Bond Fund, Inc.
CG Trust Company
Chantilly Partners
Chapman 1980 Exploration and Development Venture
Charter Oak Ventures
Charter Oaks Mortgage Corp.
Chase Gayton Associates
CIGNA Advisory Partners, Inc.
CIGNA Affiliated Businesses Group, Inc.
CIGNA Aggressive Growth Fund, Inc.
CIGNA Annuity Funds Group
CIGNA Arch Street Properties, Inc.
CIGNA Asset Advisers, Inc.
CIGNA Assets Advisers, Inc.
CIGNA Assets Company
CIGNA Associates, Inc.
CIGNA Austin-Raleigh Associates Limited Partnership
CIGNA Austin-Raleigh Associates Limited Partnership
CIGNA Bond Services, Inc.
CIGNA Brasil Empreendimentos Ltda.
CIGNA Cash Fund, Inc.
CIGNA Compania De Seguros (Chile) S.A.
CIGNA Compania De Seguros De Panama S.A.
CIGNA Compania De Seguros De Vida (Chile) S.A.
CIGNA Conference Facilities, Inc.
CIGNA Corporation

CIGNA Corporation (NV)
CIGNA Dental Data Systems, Inc.
CIGNA Dental Facilities, Inc.
CIGNA Dental Health of California, Inc.
CIGNA Dental Health of Colorado, Inc.
CIGNA Dental Health of Delaware, Inc.
CIGNA Dental Health of Kansas, Inc.
CIGNA Dental Health of Missouri, Inc.
CIGNA Dental Health of New Jersey, Inc.
CIGNA Dental Health of Ohio, Inc.
CIGNA Dental Health of Pennsylvania, Inc.
CIGNA Dental Health, Inc.
CIGNA Dental Management Systems, Inc.
CIGNA Eagle Lodge Properties, Inc.
CIGNA Energy Partners 1985—A Limited Partnership
CIGNA Energy Partners 1985—A Limited Partnership
CIGNA Energy Resources, Inc.
CIGNA Escrow, Inc.
CIGNA Excess and Surplus Insurance Services Inc. (GA)
CIGNA Excess and Surplus Insurance Services, Inc. (CA)
CIGNA Excess and Surplus Insurance Services, Inc. (IL)
CIGNA Excess and Surplus Insurance Services, Inc. (NJ)
CIGNA Financial Partners, Inc.
CIGNA Fleming Properties, Inc.
CIGNA Foundation
CIGNA Fund Managers Limited
CIGNA Funding Limited Partnership
CIGNA Funds Group
CIGNA Health Care Group, Inc.
CIGNA Health Network, Inc.
CIGNA Healthplan Management Company, Inc. (DE)
CIGNA Healthplan Management Company, Inc. (TX)
CIGNA Healthplan of Arizona, Inc.
CIGNA Healthplan of Colorado, Inc.
CIGNA Healthplan of Columbus, Inc.
CIGNA Healthplan of Connecticut, Inc.
CIGNA Healthplan of Delaware, Inc.
CIGNA Healthplan of Florida, Inc.
CIGNA Healthplan of Florida, Inc.
CIGNA Healthplan of Georgia, Inc.

CIGNA Healthplan of Illinois, Inc.
CIGNA Healthplan of Kansas City, Inc.
CIGNA Healthplan of Louisiana, Inc.
CIGNA Healthplan of Maryland, Inc.
CIGNA Healthplan of Massachusetts, Inc.
CIGNA Healthplan of New Jersey, Inc.
CIGNA Healthplan of Pennsylvania, Inc.
CIGNA Healthplan of Shreveport and Bossier (L.P.)
CIGNA Healthplan of South Florida, Inc.
CIGNA Healthplan of Southern California, Inc.
CIGNA Healthplan of St. Louis, Inc.
CIGNA Healthplan of Texas, Inc.
CIGNA Healthplan of Washington, Inc.
CIGNA Healthplan, Inc.
CIGNA Healthplans of California, Inc.
CIGNA Holdings, Inc.
CIGNA Hospital of Los Angeles, Inc.
CIGNA Hotel Associates-I Limited Partnership
CIGNA Hotel Associates-I Limited Partnerhsip
CIGNA Hotel Associates-II Limited Partnership
CIGNA Hotel Associates-II Limited Partnership
CIGNA Income Fund, Inc.
CIGNA Income Realty-I Limited Partnership
CIGNA Income Realty-I Limited Partnership
CIGNA Individual Financial Services Company
CIGNA Insurance Australia Limited
CIGNA Insurance Company
CIGNA Insurance Company (Hellas) S.A.
CIGNA Insurance Company of Canada
CIGNA Insurance Company of Europe S.A.-N.V.
CIGNA Insurance New Zealand Limited
CIGNA International Asset Fund Ltd.
CIGNA International Holdings, Ltd.
CIGNA International Insurance Managers, Ltd
CIGNA International Investment Advisors, Ltd.
CIGNA International Securities Company, Ltd.
CIGNA International Securities Company, Ltd.
CIGNA Investment Advisory Company, Inc.
CIGNA Investment Group, Inc.

CIGNA Investment Management Company
CIGNA Investments, Inc.
CIGNA Leveraged Capital Fund, Inc.
CIGNA Life Insurance Company
CIGNA Loss Control Services, Inc.
CIGNA Money Market Fund, Inc.
CIGNA Montgomery Properties, Inc.
CIGNA Municipal Bond Fund, Inc.
CIGNA Overseas Finance N.V.
CIGNA Pharmacies, Inc.
CIGNA Portfolio Holdings, Inc.
CIGNA Preferred Data Systems, Inc.
CIGNA Private Practice Plan, Inc. (CA)
CIGNA Private Practice Plan, Inc. (DE)
CIGNA Private Practice Plan, Inc. (TX)
CIGNA Private Practice Plan, Inc. (WA)
CIGNA Properties, Inc.
CIGNA RE Corporation
CIGNA Real Estate Fund S Limited Partnership
CIGNA Real Estate, Inc.
CIGNA Realty Resources, Inc.-Eighth
CIGNA Realty Resources, Inc.-Eleventh
CIGNA Realty Resources, Inc.-Fifth
CIGNA Realty Resources, Inc.-Ninth
CIGNA Realty Resources, Inc.-Seventh
CIGNA Realty Resources, Inc.-Sixth
CIGNA Realty Resources, Inc.-Tenth
CIGNA Realty Resources, Inc.-Twelfth
CIGNA Securities, Inc.
CIGNA Seguradora S/A
CIGNA Service Company
CIGNA Tax-Exempt Cash Fund, Inc.
CIGNA Thai Company Limited
CIGNA U.K. Holdings, Ltd.
CIGNA UMW Finance, Inc.
CIGNA Value Fund, Inc.
CIGNA Venture Capital, Incorporated
CIGNA Wellness Network, Inc.
CIGNA Whitemarsh Properties, Inc.
CIGNA Worldwide Insurance Company

CIGNA Worldwide, Incorporated
CIGNA/Willowbrook Associates Limited Partnership
CIGNA/Willowbrook Associates Limited Partnership
Citrus Belle
CK Airpark Associates
Clinica Santa Maria, S.A.
Coast To Coast Corporation
Coastal Insurance (Bermuda) Limited
Coastal Insurance Company (Cayman) Ltd.
Robert F. Coleman, Inc.
Colina Insurance Company Limited
Columbia Apartments, Inc.
Columbia Cinema, Incorporated
Columbia Coliseum, Inc.
Columbia Community Antenna Systems, Inc.
Columbia Corporate Center Parking, Inc.
The Columbia Development Corporation
Columbia Farms, Inc.
Columbia Financing Corporation
Columbia Industrial Development Corporation
Columbia Mall, Inc.
Columbia Management, Inc.
Columbia Medical Plan, Inc.
Columbia Neighborhood Stores, Inc.
Columbia Newtown, Incorporated
Columbia Office Building—Exhibit Center, Inc.
The Columbia Sales and Realty Company
Columbia Townhouse Properties, Inc.
Columbia Utility Construction Corporation
Columbia Village Centers, Inc.
Compagnie D'Assurances Colina S.A.
Compagnie Financiere INA
Compagnie Nouvelle D'Assurances
Companhia Colina De Seguros
Compania De Seguros "El Condor" S.A.
Compania De Seguros El Condor, SA
Companion Fund, Inc.
Companion Income Fund, Inc.
Compar Facilities, Inc.
Compar Facilities, Inc.

Congen Properties, Inc.
Connecticut General Corporation
Connecticut General Equity Properties—I Limited Partnership
Connecticut General Equity Properties—I Limited Partnership
Connecticut General Fire and Casualty Insurance Company
Connecticut General Life Insurance Company
Connecticut General Pension Services, Inc.
Connecticut General Realty Investors Limited Partnership
Connecticut General Realty Investors Limited Partnership
Connecticut General Realty Investors—II Limited Partnership
Connecticut General Realty Investors—II Limited Partnership
Connecticut General Realty Investors—III Limited Partnership
Connecticut General Realty Investors—III Limited Partnership
Connecticut General Realty Resources, Inc.
Connecticut General Realty Resources, Inc.—Second
Connecticut General Realty Resources, Inc.—Fourth
Connecticut General Realty Resources, Inc.—Third
Connor Realty Investment
Contabilidad Mecanizada, S.A.
The Continental Assurance Company of London Limited
Convest Acceptance Corporation
Convest Contractors, Inc.
Convest Development Corporation
Convest Development Corporation
Convest Financial Corporation
Covest Homes, Inc.
Corafin, S.A. Etc.
Corporation for Philadelphia World Insurance Congress
Cravens, Dargan & Company, Pacific Coast
Cravens, Dargan & Company, Pacific Coast of Illinois, Inc.
Cravens, Dargan & Company, Pacific Coast of Montana, Inc.
Cravens, Dargan & Company, Pacific Coast of New York, Inc.
Crovine Limited Partnership—81
Crow Wood Glen Associates
Crow-Biltmore Venture
Crum & Forster Managers (Bermuda) Ltd.
Crusader Company (Ghana) Ltd.
Crusader Computer Services Ltd.
Crusader Computer Systems Ltd.
Crusader Data Processing Ltd.

Crusader Insurance Co. (New Zealand) Ltd.
Crusader Insurance Company (Ghana) Ltd.
Crusader Insurance Company (Nigeria) Limited
Crusader Insurance Company of Australia Ltd.
Crusader Insurance Plc
Crusader Investments Limited
Crusader Life Assurance Co. (Pvt.) Ltd.
Crusader Managed Pension Funds Ltd.
Crusader Properties Limited
Crusader Property Ltd.
Crusader Trustee Company Limited
The Data Corporation
Datamann, Inc.
Delaware Reinsurance Company
Delpanama S.A.
Diamond M Eagle, Ltd.
Diamond M Falcon, Ltd.
Diamond M Hunter, Ltd.
Disability Claim Services, Inc.
Diversified Insurance Agency, Inc.
Dobbin Road Commercial Inc.
Doncesar Resort Hotel, Ltd.
Dorado Beach Hotel Corporation
Downtown Plaza II
Dunphil Joint Venture
Dutton Partners
Dyer, Wells & Associates, Inc.
EB&FS Assets Company
Educators Fund Management Corporation
Educators Marketing Services Corporation
EFMC Services Corporation
Eighteenth Street Properties, Inc.
Elliott Grove Associates
Empresas Medicas De Chile, Limitada
Erieview Associates
ESIS International (Puerto Rico), Inc.
ESIS International, Inc.
ESIS, Inc.
Executive Park, Inc.
Extra Cover Insurance Agency, Inc.

F.S. Agency Inc.
F.S. Title Services Inc.
Falkland Partners
Fianzas El Roble S.A.
Fire, Equity and General Insurance Company Limited
Fire, Equity and General Ins. Co., Ltd.
Flynn/Congen Properties, Inc. Joint Venture
Forest Place Associates
Fountainhead Associates Limited Partnership
Fountainhead Office Building/Fountainhead Associates Limited
Gamma Inac, Inc.
Gates-Brock Development Company
Glendale Associates
Glendale Limited Partnership Associates—II
Gorman Plaza Corporation
Grancol Asesoramientos Y Serv Ltda.
Greyland Business Park, Phase I
Growth Property Management Company Ltd.
Guilford Industrial Center, Inc.
Gwynedd Partners
H&H Cerritos
HAI International Holdings, Ltd.
Hamilton Brothers—Insco Limited
Hamilton Brothers—Insco Limited (1982)
Hamilton Taft and Company, Inc.
Hampton Lakes Associates
Harper's Choice Village Center, Inc.
Hartford Attractions, Inc.
HCW Oil Income Fund (Devonian)
Health Incorporated
Higgins Road Venture
HOC 1982 Rocky Mountain Limited Partnership
Horace Mann Educators Corporation
Horace Mann Growth Fund, Inc.
Horace Mann Insurance Company
Horace Mann Investors, Inc.
Horace Mann Life Insurance Company
Horizon Place Associates
Hospital Affiliates International (UK) Limited

Hospital Affiliates International Ltd Inc.
Hospital Affiliates International S.A.
Hospital Affiliates International, Inc.
Hospital Affiliates of Australia Pty. Limited
Hospital Corporation of America
Hotel Columbia Company
Howard Commercial Properties, Inc.
Howard Financing Corporation
Howard Properties, Inc.
The Howard Research and Development Corporation
HRD Parking, Inc.
Huntington Place Partners
ICO, Inc.
IFD Properties, Inc.-First
IFD Properties, Inc.-Second
Illinois Union Insurance Company
INA Annuity Money Market Fund, Inc.
INA Cash Fund, Inc.
INA Commercial Finance, Inc.
INA Community Services Inc. Of Ohio
INA Community Services, Inc.
INA Construction Risks, Inc.
INA Corporation
INA Corporation
INA County Mutual Insurance Company
INA Diversified Services, Inc.
INA Employers Insurance Company
INA Farm Center, Inc.
INA Financial Corporation
INA Forsikrings Aktieselskab
INA Healthplan Of Houston, Inc.
INA Healthplan Of Northern California, Inc.
INA Healthplan Of Tucson, Inc.
INA Healthplan Of Washington, Inc.
INA High Yield Fund, Inc.
CIGNA Insurance Company South Africa Limited
INA Insurance Company Of Illinois
INA Insurance Company Of Ohio
INA International Holdings Singapore, Limited
INA International Insurance Company Ltd.

INA International Investors, Ltd.
INA International Property Holdings, Ltd.
INA Investment Securities, Inc.
INA Life Insurance Company
INA Life Insurance Company 9N.Z.) Limited
INA Life Insurance Company Of Canada
INA Life Insurance Company Of New York
INA Life Insurance Company, Ltd.
INA Of Texas
INA Overseas Properties, Ltd.
INA Properties Of Colorado, Inc.
INA Properties Of Delaware, Inc.
INA Properties Processing Center, Inc.
INA Properties, Inc.
INA Reinsurance Company
INA Reinsurance Company (U.K.) Limited
INA Reinsurance Company, S.A./N.V.
INA Security Corporation
INA Special Risk Facilities, Inc.
INA Standard Life Insurance Company
INA Standard, Inc.
INA Sudamericana S.A.
INA Tax-Free Reserve Fund Inc.
INA Title Insurance Company
INA Underwriting Agency Limited
INABenefit Services Corporation
INAC Corp.
INAC Corp. Of California
Inacan Holdings Ltd.
Inacap Reaseguros, S.A.
Inacap, S.A.
Inamar, Ltd.
Inamex S.A.
Inamic Ltd.
Inapro, Inc
Inaven C.A.
INAX Incorporated
INAX Underwriters Agency, Inc.
Indemnity Insurance Company of North America
Insurance Company Of Africa

Insurance Company Of Africa
Insurance Company Of North America
Insurance Company Of North America (Ireland) Limited
Insurance Company Of North America (U.K.) Limited
Insuror Management Company
International Claims Adjusters Ltd.
International Rehabilitation Associates Pty. Ltd.
International Rehabilitation Associates, Inc.
International Surplus Adjusting Services
International Survey and Adjustment Co., Ltd.
International Technology Underwriters, Inc.
Inversiones Ina Ltda.
Inversiones La Libertad C.A.
Investors Life Insurance Company Of North America
Ismed Insurance Consultants Limited
JTX Travel Club, Inc.
KCI #2 Partnership
Kendall Farm Nursery, Inc.
Kilima Properties Ltd.
Knolls Associates Limited Partnership
Knolls Associates Limited Partnership
Knollwood Associates Limited Partnership
Knollwood Associates Limited Partnership
Koll-Tustin Business Center
L. S. Holding Company
La Henin-Vie
La Interamericana De Adjustes S.A.
La Mundial De Seguros S.A.
La Mundial De Seguros, S.A.
La Nouvelle, S.A.
La Positiva Compania Nacional De Seguros, S.A.
La Venezolana De Vida
Lake View Office Building, Inc.
Lakefront North Parking, Inc.
Landmark Center Sunrise Venture I
Latina Holdings, Ltd.
Lewis & Norwood, General Agents, Inc.
Life Insurance Company Of North America
Lime Street Properties, Ltd.
Lime Street Services Limited

Lincoln Union Syndicate, Inc.
Ernest Linsdell Ltd.
Logan Land Company, Inc.
Long Reach Village Center, Inc.
Maine Associates
Mall Office Building, Inc.
Mall South Office Building, Inc.
Manchester Mall Joint Venture
Mariana Properties, Inc.
Marina Airport Building, Ltd.
Maritime—General Insurance Company Limited
Marketdyne International, Inc.
Marketdyne of Canada Limited
Master Life Insurance Company (Merged w/Investors Life)
Matson Place Corporation
Maui Surf Hotel Company
E. J. McConnell & Associates, Ltd.
McCandless San Tomas No. 2
McCandless Towers, Phase I
McCandless Towers, Phase II
Mealane Corp.
Mealane of Canada, Ltd.
Medicalab Management Corporation
Membership Assistance Corporation
Metropolis General Partnership
MLS 1980 Gulf Coast Exploration and Development Venture
Monarch Insurance Co. of NZ, Ltd.
Monarch Insurance Company
Monarch Insurance Company Inc. (Philippines)
Monarch Insurance Company Limited
Monarch Life Insurance Company of New Zealand, Ltd.
Monarch South Africa Ins. Co. Ltd.
Montgomery & Collins International, Ltd.
Montgomery and Collins Limited
Montgomery and Collins, Inc.
Montgomery and Collins, Inc. of Connecticut
Montgomery and Collins, Inc. of Florida
Montgomery and Collins, Inc. of Illinois
Montgomery and Collins, Inc. of Indiana
Montgomery and Collins, Inc. of Massachusetts

Montgomery and Collins, Inc. of New Jersey
Montgomery and Collins, Inc. of Ohio
Montgomery and Collins, Inc. of Pennsylvania
Montgomery and Collins, Inc. of Texas
Montgomery and Collins, Inc. of Wyoming
Morgan Stanley Leveraged Mezzanine Fund Limited Partnership
Morgan Stanley Leveraged Senior Debt Fund Ltd. Partnership
Mosbacher-L.S.H.C., Ltd.
Mount Elizabeth Hospital PTE. Ltd.
Nahama & Weatant
Natick Mall Associates
National Employee Benefits Corporation
National Health Care Corporation (Merged w/Inabenefit)
Ninety-Nine Co.
North Coast Investment Corporation
Northern Woods Products Association, Inc.
Norton Life Insurance Company
O'Hare Plaza I Associates
O'Hare West Plaza Venture
Oakland Mills Service Center, Inc.
Oakland Ridge Commercial, Inc.
Oakland Ridge Industrial Development Corporation
Oaks At Baymeadow Associates
Oaks At Regency Associates
Oakwood Garden Apartments
One Co.
One Hundred Gold Street Limited Partnership
One Hundred Gold Street Limited Partnership
One Logan Square Associates
Orbis Insurance Agencies, Ltd
Orbis Insurance Agencies, Ltd.
Orchard Glen Venture
Orrington Hotel Associates
Pacific Employers Insurance Company
Paine Webber Incorporated
Pan Arabian Insurance Company Limited
Paramus Park Associates
Paramus Park Mall Joint Venture
Parcwood-Sacramento Joint Venture

Parkway Management Corporation
Participation Corporation
Paul, Berry, Congen
Petroleum Insurance, Inc.
Philadelphia Drilling Company
Philadelphia Eagle Drilling Corporation
Philadelphia Falcon Drilling Corporation
Philadelphia Investment Corporation
Philadelphia Investment Corporation of Delaware
Philadelphia Jefferson Corporation
Philrich Associates
Plantation Colony Apartments Limited Partnership
Plantation Colony Apartments Limited Partnership
Plaza Office, Inc.
Plough Investment Properties Ltd.
Pocasset Properties, Inc.
Port Plaza Equities Limited Partnership
Practical Care Corps., Inc.
Preferred Health Care, Inc.
Premble, Inc.
Premier Escrow Company
Fremium Recovery Services International, Inc.
Progressive Partners
Progressive Partners
Public Employees Insurance Service
Public Works, Inc.
Pueblo Mall Limited Partnership
R & B Tyson's Corner Venture
R & I Joint Venture
R&B Executive Investments—Westchase Associates
R-L Pharmacies, Inc.
Railroad Insurance Brokers, Inc.
Rain and Hail Insurance Service Incorporated
Rambler Oil/Paul's Valley Project
Realconn, Inc.
Reaseguradora International, S.A.
Reaseguros Inacap, S.A.
Recovery Services International, Inc.
Red Branch Development Corporation
Reinsurance Consultants Limited

Relais Esplanade Associates
Reston Offices—1 Incorporated
Retreat Apartments Joint Venture
Richgart, Inc.
Riyad Insurance Company Ltd.
J.D. Robb & Assoc. Insurance Brokerage, Inc.
Ross-Loos Healthplan of Southern California
Ross-Loss Hospital of Los Angeles, Inc.
Ross-Loos Hospital, Inc.
Ross-Loos Medical Group, Inc.
Sacramento Escrow Company
Safire Private Limited
Safire Private Limited
San Lorenzo Compania De Seguros
San Tomas No. 1 Limited Partnership
Scicor Associates
Scottsdale Executive Center Venture
Seapark III
Seapark III Associates
Secon Properties
Seguros Azteca, S.A.
Seguros Colina, S.A.
Seguros Cruz Azul, S.A.
Seguros El Roble, S.A.
Seguros St. Paul De Venezuela C.A.
Self-Insurers' Managment Corporation
Senior Marketing Insurance Service Corporation
Signa Corporation (DE)
Smith Cable Security, Inc.
Societe Civile Immobiliere Turina
Special Investments Holdings, Inc.
Standard Associates, Inc.
Stellate, Inc.
Sumare—Processamento E Servicios S/A
Sunset Venture—I
T.A.P. Company
T.A.P. Company—Two
Taisho Monarch Insurance Co. Ltd.
TBA, Inc.
Teachers Insurance Company

Technical Risk Management Services, Inc.
Temple Insurance Company Limited
Ten Columbia Corporate Center Company
Terra Nova Insurance Company Limited
The Brock-Riegel Joint Venture
The Caribbean Home Ins. Co.
The Crossings Associates
The Fifth and Race Company Limited Partnership
The Lakes Associates
The Pavilion Venture
The Scottsdale Executive Centre Corporation
The 1792 Company
The 9033 Corporation
Thirty Columbia Corporate Center, Inc.
James P. Toner Company, Inc.
Town Center Office Building, Inc.
Town Colony Associates
Town Colony II Associates
Trilog, Inc.
Tulsa Limited Partnership
Tulsa Limited Partnership
Twenty Columbia Corporate Center, Inc.
Tyson's Corner Hotel Associates
Unina Insurance Company Limited
University Collection Associates
Valley Forge Eisenhower Associates I
Valley Forge Eisenhower Associates II
Village of Wilde Lake Center, Inc.
Wainoca-Appalachian (Bloomfield) Limited
Wallace Lunt Joint Venture

APPENDIX D

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

The following are parent companies, subsidiaries or affiliates of American Telephone and Telegraph Company:

AT&T Communications, Inc.
AT&T Communications of California, Inc.
AT&T Communications of Delaware, Inc.
AT&T Communications of Illinois, Inc.
AT&T Communications of Indiana, Inc.
AT&T Communications of Maryland, Inc.
AT&T Communications of Michigan, Inc.
AT&T Communications of the Midwest, Inc.
AT&T Communications of the Mountain States, Inc.
AT&T Communications of Nevada, Inc.
AT&T Communications of New England, Inc.
AT&T Communications of New Jersey, Inc.
AT&T Communications of New York, Inc.
AT&T Communications of Ohio, Inc.
AT&T Communications of the Pacific Northwest, Inc.
AT&T Communications of Pennsylvania, Inc.
AT&T Communications of the South Central States, Inc.
AT&T Communications of the Southern States, Inc.
AT&T Communications of the Southwest, Inc.
AT&T Communications of Virginia, Inc.
AT&T Communications of Washington, D.C., Inc.
AT&T Communications of West Virginia, Inc.
AT&T Communications of Wisconsin, Inc.
AT&T Communications Americas, Inc.
AT&T Communications Europe, Inc.
AT&T Communications Pacific, Inc.
AT&T Credit Corporation
AT&T Information Systems Inc.
AT&T Consumer Products Private Ltd.
AT&T Intelliserve Inc.

ShareTech
AT&T Teletype Corporation
Teletype International Sales Corporation
AT&T VideoLink Inc.
COVIDEA
AT&T-IS Merging Corporation
Communications Software Development, Inc.
Counterpoint Computers, Inc.
Omnicad Technology Corporation
AT&T International Inc.
AT&T Argentina S.A.
AT&T Asia/Pacific Inc.
AT&T Canada Inc.
AT&T Directories (Thailand) Ltd.
AT&T DO Braxil Ltda.
AT&T Europe, Inc.
AT&T International Advisory Services, Inc.
AT&T International (Australia) Limited
AT&T International East Asia, Inc.
AT&T International (Greece) Ltd.
AT&T International (Japan) Ltd.
AT&T International (Singapore), Inc.
AT&T International (Taiwan), Inc.
AT&T International (United Kingdom) Limited
AT&T Management Services Inc.
AT&T and Philips Telecommunications, B.V.
AT&T and Philips Telecommunications A.G.
AT&T and Philips Telecommunications Bedrijven B.V.
AT&T and Philips Telecommunications (Belgium)
AT&T and Philips Tellecommunications S.P.A.
AT&T and Philips Telecommunications Trading B.V.
AT&T and Philips Telecommunications U.K. Ltd.
AT&T Ricoh Co. Ltd.
AT&T S.A./N.V.
AT&T Taiwan Telecommunications Co., Ltd.
AT&T (Thailand), Inc.
AT&T Unix Pacific K.K.
AT&T World Services, Inc.
Gold Star Fiber Optics Co., Ltd.
IRETEL Limited

Microwave Radio Ltd.
Oro Media S.A.
Telectron Na Farraige Moire Teo
Unix Europe Limited
Western Electric International, Incorporated
AT&T International Far East Limited
Western Electric Saudi Arabia, Ltd.
AT&T Resource Management Corporation
CA Charlotte Associates
Grassmere Park Associates
RMCOP Office Venture
Southpoint Tower Limited Partnership
Tower Center Associates
AT&T Technologies, Inc.
AT&T Foreign Sales Corporation
AT&T Microelectronica de Espana, S.A.
AT&T Microelectronics Ltd.
AT&T Microelectronics Pte. Ltd.
AT&T Microelectronics S. A. R. L.
AT&T Microelectronics (Thai) Co., Ltd.
AT&T Nassau Metals Corporation
AT&T Techologies International Purchasing Company
AT&T Technologies Microelectronics GmbH
Gold Star Semiconductor, Ltd.
Intermetrics Inc.
Manufacturers' Junction Railway Company
Sandia Corporation
Western Electric Company, Incorporated
Western Electric Company, Limited
Western Electric Government Service Company, Incorporated
Western Electric International Sales Corporation
Actuarial Sciences Associates, Inc.
American Bell Communications, Inc.
American Bell, Inc.
American Bell Information, Inc.
American Bell Technologies, Inc.
American Bell International Incorporated
American Telephone and Telegraph Co. of Arkansas
American Telephone and Telegraph Co. of Baltimore City
American Telephone and Telegraph Co. of Delaware
The American Telephone and Telegraph Co. of Illinois

American Telephone and Telegraph Co. of Indiana, Inc.
American Telephone and Telegraph Co. of Michigan
The American Telephone and Telegraph Co. of New Jersey
The Ohio Telephone and Telegraph Company
The American Telegraph and Telephone Co. of Pennsylvania
American Telephone and Telegraph Co. of Rhode Island
American Telephone and Telegraph Co. of Virginia
The American Telephone and Telegraph Co. of Wisconsin
American Telephone and Telegraph Co. of Wyoming
East Pittsburgh Telephone Company
American Telephone and Telegraph California Inc.
AT&T D.C. Inc.
AT&T Delaware Inc.
AT&T Illinois Equipment Inc.
AT&T Indiana INC.
AT&T Maryland Inc.
AT&T Michigan Inc.
AT&T Mountain Inc.
AT&T Nevada Inc.
AT&T New Jersey Inc.
AT&T New York Inc.
AT&T North Central Inc.
AT&T Northeast Inc.
AT&T Northwest Coast Inc.
AT&T Ohio Inc.
AT&T Pennsylvania Equipment Inc.
AT&T Plains States Inc.
AT&T South Inc.
AT&T Southeast Inc.
AT&T Virginia Inc.
AT&T West Virginia Inc.
AT&T Wisconsin Inc.
American Telephone and Telegraph Overseas Finance N.V.
American Transtech Inc.
Bell Telephone Laboratories, Incorporated
Cincinnati Bell Inc.
Cincinnati Bell Telephone Company
Cincinnati Bell Information Systems Inc.
Cincinnati Bell Enterprises Inc.
Cincinnati Bell Supply Company

Cincinnati Bell Cellular Systems Company
Material Recycling Company
Cuban American Telephone and Telegraph Company
Eastern Telephone and Telegraph Company
Edelson Technology Partners L.P.
Ing. Co. Olivetti & C., S.P.A.
Transoceanic Cable Ship Company, Incorporated
Transoceanic Communications, Incorporated
Transpacific Communications, Incorporated